



NEWS TO USE

A newsletter for PERSI employers

August 2005

- New Board Member
- Change of Address
- Social Security Cards
- Mailing Addresses
- Financial Literacy
- Notes

PERSI GETS NEW BOARD MEMBER

PERSI is pleased to announce the appointment of Jeff Cilek to the Retirement Board. He replaces Dennis Johnson, who served on the Board for the past 10 years.

formerly a vice president with the Peregrine Fund, and is now the Executive Director for the St. Luke's Health Foundation, where he oversees the fund raising and charitable giving efforts.

Mr. Cilek has been active in the Boise community for many years, having served on the Federal Lands Task Force Working Group and the Downtown Boise Association Board of Directors. He was

Board members are appointed by the Governor for terms lasting five years. PERSI is honored to have Mr. Cilek join the Retirement Board, and grateful to Mr. Johnson for his years of service.

SUBMITTING AN EMPLOYEE CHANGE OF ADDRESS

- no need to mail forms -

Are you looking for ways to improve operating efficiency and save money? By submitting employee changes of address on your electronic transmittals, you won't need to fill out extra paperwork or spend money on postage.

If you have already submitted the change of address electronically, there is no need to mail in a form making the same change. In fact, doing

both creates additional steps for PERSI. When a paper change of address form is received, someone at PERSI must check the address in the database. In most cases, the change was done at the time the transmittal was processed. PERSI would like to eliminate this extra step so we operate more efficiently, and at the same time help you manage your time and money.

SENDING COPIES OF SOCIAL SECURITY CARDS TO PERSI

- help keep the records straight -

PERSI uses Social Security numbers as one means of member identification. The numbers are also required for reporting to the Internal Revenue Service (IRS). While most employers submit a copy of new employees' Social Security numbers when submitting the PERSI membership application, far too many employers still forget about this step. PERSI *must* have a copy of the card from *all* employers for *all* employees for federal reporting purposes.

Submitting a copy of a new employee's Social Security card is easy. When reporting a new employee's information on a PERSI transmittal, or when submitting the employee's beneficiary designation form, simply include a copy of the card. If PERSI does not receive a copy of the Social Security card, the number as shown on other forms must be used. In so many cases,

the numbers (whether handwritten or typed) have been transposed or taken down incorrectly. This can result in duplicating Social Security numbers in the PERSI system and attributing the wrong number to an employee. Incorrect Social Security numbers can also create IRS and tax problems for employees – and frankly, it is a headache for everyone to straighten out.

When PERSI finds an error, a lengthy verification process begins. First, the correct Social Security number for the employee must be identified; then PERSI must determine if account balances have been affected. This is a time-consuming effort. So, please help keep the records straight by sending in a copy of each new employee's Social Security card. Your help will be appreciated by PERSI...and by your employees.

THE IMPORTANCE OF ACCURATE MAILING ADDRESSES

For members to receive quarterly statements and other mailings from PERSI, it's important to have correct mailing addresses on file. Some employers have inadvertently submitted invalid mailing addresses in their transmittals. An invalid address doesn't necessarily mean an incorrect street address; often it means an employer has provided PERSI with the address where the employee resides instead of the P.O. Box where the employee receives mail. This can cause delays in delivering the mail or even cause the mail to be returned as undeliverable. Please help ensure that your employees receive PERSI-related mail by providing the correct mailing address when you are submitting employee transmittal information.

FINANCIAL LITERACY CAMPAIGN UNDERWAY

As honorary chairman of the National Retirement Planning Coalition (NRPC), Ben Stein has been conducting a summer campaign to educate Americans on the importance of financial literacy and preparing for their financial future. Stein graduated from Yale Law School and was a professor at American University in Washington, D.C., at the University of California at Santa Cruz, and at Pepperdine University in Malibu, CA, before going into the entertainment field. He was a speech writer for Presidents Nixon and Ford and has been a contributor to the *Wall Street Journal*.

In a recent appearance, Stein was joined by President Bush to discuss some of the foremost financial issues facing the country. Topics included the need for better financial education in America, the importance of individualized retirement planning, and Social Security reform. "It's staggering when you see statistics on the number of Americans who haven't adequately prepared for their financial futures," said Stein. He stressed that all Americans need to understand the quality of their retirement is directly related to their retirement income, which is based on the quality of their retirement planning.

NRPC research shows the lack of adequate retirement planning in America.

- **Savings Lag:** 64 percent of full-time workers are either behind in their retirement savings or have not even started saving.
- **Longer Retirement:** 53 percent of Americans expect to live up to 30 years in retirement, meaning they will have to fund a retirement lasting decades.
- **Gripped by Fear:** 95 percent of Americans have some financial concerns about retirement,

with 42 percent fearing they will run out of money prematurely.

- **Five-Year Slump:** Only 16 percent of respondents to an NRPC survey felt they had made progress in their planning and retirement savings over the past five years.
- **Poor National Savings Rate:** Of those who are saving for retirement, the average savings is \$18,750. Many Americans are still expecting Social Security and pensions to cover the bulk of their retirement expenses.
- **Wrong Priorities:** 70 percent of Americans are more concerned with their short- and mid-term financial spending than their retirement.

NRPC brings together 13 financial industry and advocacy organizations for the purpose of educating consumers and financial industry professionals on issues surrounding retirement planning. Please support your employees in their retirement planning by encouraging them to attend a PERSI workshop. Learn more at www.persi.state.id.us.

Notes

Representatives from the [North Carolina Retirement System](#) recently visited Boise to learn more about PERSI's online guideline – an internal information repository – and to share information about the North Carolina answer center.

In July, a small delegation from [Southeast Asia](#) visited PERSI to learn how the Idaho retirement system is administered. In the past, PERSI has hosted delegations from emerging countries who were also interested in learning about retirement system investment policies and administrative practices.